

SB3183



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

SB3183

Introduced 2/1/2012, by Sen. Dave Syverson

SYNOPSIS AS INTRODUCED:

55 ILCS 5/5-1134 new

Amends the Counties Code. Provides that the county board of a county may borrow money for county purposes from one fund for the use of another fund, as long as it is repaid within the current fiscal year. Provides that the county board of a county may borrow money from any bank or financial institution, provided that the money shall be repaid within 10 years from the time the money is borrowed. Sets forth requirements concerning the documentation of the loan. Prohibits the indebtedness incurred, when aggregated with the existing indebtedness of the county, from exceeding the debt limitation otherwise provided for by law. Defines "financial institution". Effective immediately.

LRB097 19643 KMW 64897 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning local government.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Counties Code is amended by adding Section
5 5-1134 as follows:

6 (55 ILCS 5/5-1134 new)

7 Sec. 5-1134. Borrowing from financial institutions. The
8 county board of a county may borrow money for county purposes
9 from one fund for the use of another fund providing such
10 borrowing shall be repaid within the current fiscal year. The
11 county board of a county may also borrow money from any bank or
12 other financial institution provided such money shall be repaid
13 within 10 years from the time the money is borrowed. The County
14 Board Chairman, County Executive, or County Board President, as
15 the case may be, shall execute a promissory note or similar
16 debt instrument, but not a bond, to evidence the indebtedness
17 incurred by the borrowing. The obligation to make the payments
18 due under the promissory note or other debt instrument shall be
19 a lawful direct general obligation of the county payable from
20 the general funds of the county and such other sources of
21 payment as are otherwise lawfully available. The promissory
22 note or other debt instrument shall be authorized by an
23 ordinance passed by the county board and shall be valid whether

1 or not an appropriation with respect to that ordinance is
2 included in any annual or supplemental appropriation adopted by
3 the county board. The indebtedness incurred under this Section,
4 when aggregated with the existing indebtedness of the county,
5 may not exceed any debt limitation otherwise provided for by
6 law. "Financial institution" means any bank subject to the
7 "Illinois Banking Act", any savings and loan association
8 subject to the "Illinois Savings and Loan Act of 1985", and any
9 federally chartered commercial bank or savings and loan
10 association organized and operated in this State pursuant to
11 the laws of the United States.

12 Section 99. Effective date. This Act takes effect upon
13 becoming law.